

Message Text

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ACTION EB-08

INFO OCT-01 AF-10 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 XMB-02
PM-05 TRSE-00 /053 W
-----127888 081153Z /44

R 071400Z AUG 78
FM AMEMBASSY BUJUMBURA
TO SECSTATE WASHDC 7293
INFO AMEMBASSY BRUSSELS
AMEMBASSY DAR ES SALAAM
AMEMBASSY KIGALI
AMEMBASSY KINSHASA
AMEMBASSY NAIROBI
AMEMBASSY PARIS

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EO 11652: NA
TAGS: EAIR, EFIN
SUBJ: BOEING TO SELL 737 AIRCRAFT TO BURUNDI

1. WOLFGANG B. SZEBRAT, REGIONAL DIRECTOR OF
BOEING INTERNATIONAL CORPORATION ARRIVED IN
BUJUMBURA AT BEGINNING OF WEEK OF JULY 31 WITH SIX
TECHNICIANS TO DISCUSS SALE OF 737-200C AIRCRAFT
TO BURUNDI GOVERNMENT/AIR BURUNDI.

2. SZEBRAT TOLD US AUGUST 7 HE WAS HAVING FINAL
MEETING WITH MINISTER OF TRANSPORTATION THAT
AFTERNOON AND WOULD LEAVE ON RETURN TO PARIS
SAME DATE.

3. SZEBRAT EXPECTED BURUNDI WOULD AGREE TO
PURCHASE ONE BOEING 737 FOR \$14,855,000
REPRESENTING A SALE PRICE OF \$12,000,000
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FOR THE PLANE AND TWENTY PERCENT MORE FOR
SPARE PARTS.

4. BOEING HAD HAD PRELIMINARY DISCUSSION
WITH EXPORT-IMPORT BANK WHICH HAD INDICATED
WILLINGNESS CONSIDER BURUNDI APPLICATION FOR
LOAN TO FINANCE PURCHASE. SZEBRAT EXPECTED BURUNDI

WOULD PAY THIRTY PERCENT TO BOEING, SIX MONTHS BEFORE DELIVERY WITH BALANCE DUE ON DELIVERY IN JUNE 1980. BURUNDI WOULD START PAYING OFF LOAN SIX MONTHS AFTER DELIVERY. BURUNDI WOULD PAY FIFTEEN PERCENT DOWN. OF THE REMAINING EIGHTY-FIVE PERCENT, ONE HALF WOULD BE FINANCED BY THE EXPORT-IMPORT BANK AND ONE HALF BY COMMERCIAL BANKS.

5. BURUNDI WOULD OPERATE PLANE ON NAIROBI-MOMBASA-DAR ES SALAAM ROUTE AND THIS WOULD REQUIRE RENEGOTIATION OF BILATERAL AIR AGREEMENTS. SOME MILITARY PILOTS WOULD PROBABLY BE TRAINED BY BOEING TO FLY 737 IN SEATTLE AND SOME FRENCH NATIONAL PILOTS WOULD PROBABLY BE TRAINED AS INSTRUCTORS.

6. OPERATION WOULD BE MARGINAL FOR FIRST THREE YEARS BUT WOULD MAKE A PROFIT THEREAFTER. AT RATE OF 2,000 TO 2,500 FLIGHT HOURS PER YEAR HANDLING BOTH CARGO AND PASSENGERS PLANE COULD PAY FOR ITSELF.

7. SZEBRAT EXPECTED TO RETURN TO BUJUMBURA AT END OF SEPTEMBER OR BEGINNING OF OCTOBER AND TO SIGN CONTRACT BY MID-OCTOBER.
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8. SZEBRAT SAID THERE WERE 120 BOEING AIRCRAFT OPERATING IN AFRICA OF WHICH 60 HAD BEEN SOLD TO AFRICAN GOVERNMENTS INCLUDING TWO (737'S) TO TANZANIA.
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Message Attributes

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Current Classification: UNCLASSIFIED
Concepts: AIRCRAFT
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Draft Date: 07 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
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Disposition History: n/a
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